Cooperative Development Corporation (NCDC) for financial assistance in July, 1996. The project envisages an outlay of Rs.4278.75 lakhs.

(c) A team of experts has been constituted by the NCDC for "On the Spot" appraisal of the project which would be visiting the State shortly to study the actual requirement. Sanction of assistance would be considered thereafter.

Loan Waiver Schemes

5985. DR. M. JAGANNATH : Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether several Co-operative Institutions are facing financial crunch due to the loan waiver schemes of the previous Government; and

(b) if so, the steps taken by the Government to compensate the Cooperatives in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY (SHRI YOGINDER K. ALAGH) : (a) According to various studies, the problems of cooperative credit institutions basically relate to imbalances, inadequate business, high transaction cost, low margin, low recovery, mounting overdues, lack of professionalism and lack of democratic management. The Loan Waiver Scheme also dampened the recovery climate.

(b) Full and final settlement of the claims of the Cooperative Banks under Agricultural and Rural Debt Relief 1990 Scheme have been made. The Cooperative Banks received an amount of Rs. 3961 crore under ARDR scheme 1990. Six SCBs and seven SLDBs spanning twelve States certified that there was no element of penal interest in the claims lodged by them and accordingly full amount of eligible claims was reimbursed. In States where penal interest was reported to have been included in the claims lodged, standard deduction of five percent was effected which aggregated to Rs. 169 crore.

Besides, a number of steps have been taken to improve the commercial viability of cooperative credit institutions. These include :

- The Reserve Bank deregulation of the interest rate structure for lending and for raising deposits by Cooperative institutions.

- The National Bank for Agriculture and Rural Development's (NABARD) Development Action Plan takes into account the performance and potential of these institutions to improve financial viability on a sustainable basis. The various strategies suggested in MOUs signed between the NABARD and the State level Institutions include review of loan procedure, pre-sanction appraisal, recovery drive, etc.

- The State Governments constituting Standing Committees to decide on the strategy for ensuring adequate credit flow, monitoring and removal of bottlenecks.

Sick Drug Sector Units

5986. SHRI NARAYAN ATHAWALAY : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) the number of sick PSUs in Drug Sector referred to BIFR as on March 31, 1997;

(b) the steps taken for revival of these sick units and rehabilitation plan implemented to safe guard the interests of workers there;

(c) the details of investment required for the revival of these units, unit-wise;

(d) the provisions of funds to be mobilised during 1997-98 for the purpose; and

(e) the units likely to be closed finally?

THE MINISTER OF STATE OF THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SIS RAM OLA) : (a) and (b) There are five Central public sector undertakings (PSUs) namely, Indian Drugs & Pharmaceuticals Limited (IDPL), Hindustan Antibiotics Limited(HAL), Bengal Chemicals & Pharmaceuticals Ltd.(BCPL), Bengal Immunity Limited (BIL) and Smith Stanistreet Pharmaceuticals Ltd. (SSPL) in Drug Sector. All these PSUs are registered with the Board for Industrial and Financial Reconstruction (BIFR). Three joint Sector undertakings, namely, Uttar Pradesh Drugs & Pharmaceuticals Ltd., (UPDPL), Orissa Drugs & Chemicals Ltd., (ODCL), and Maharashtra Antibiotics & Pharmaceuticals Ltd. (ODCL), and Maharashtra Antibiotics & Pharmaceuticals Ltd., (MAPL) are also registered with the BIFR. Revival packages sanctioned by the BIFR are at different stages of implementation in BCPL, BIL and SSPL.

The revival package sanctioned for UPDPL was set aside by the Appellate Authority for Industrial & Financial Reconstruction (AAIFR) in October, 1996. The revival package which was sanctioned by the BIFR in August, 1994 for ODCL, has now been declared by the BIFR to have failed. Therefore, the cases of both UPDPL and ODCL are still before the BIFR. In the case of IDPL and MAPL, decision with regard to rehabilitation or otherwise is yet to be taken by the BIFR. The revival package for HAL is still to be worked out and considered by the BIFR.

(c) and (d) In terms of the sanctioned revival packages for BCPL, BIL, AND SSPL, fresh financial assistance